

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
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FOI/PA# 1180896-1

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/17/2001

On July 6, 2001, Special Agent (SA) [redacted] reviewed [redacted]
[redacted] which was received pursuant to a FEDERAL GRAND JURY subpoena. The following was noted:

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Investigation on 7/06/2001 at Rolling Meadows, Illinois
File # 194B-CG-114999 -S-E-192 Date dictated 7/06/2001
by SA [redacted] :mhc

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/19/2001

On July 18, 2001, Special Agent (SA) [REDACTED] reviewed records relating to EASTERN SERVICES, INC., an Illinois corporation established on September 19, 1986, to conduct lawful activity under the Illinois Corporation Act of 1983. EASTERN SERVICES, INC. was engaged in business activity which included the rental of equipment relating to trade shows and convention centers. The corporation was dissolved on February 1, 1993, pursuant to a Certificate of Dissolution submitted to the ILLINOIS SECRETARY OF STATE. At the time of dissolution, the address listed for EASTERN SERVICES, INC. was 9501 West Devon, Suite 801, Rosemont, Illinois 60018. The corporate officers were: President, [REDACTED]
 [REDACTED] Secretary, [REDACTED] Directors [REDACTED] and DONALD E. STEPHENS.

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A review of the general ledger for EASTERN SERVICES, INC. from 1990 to 1992, as well as the canceled checks from accounts at AVENUE BANK NORTHWEST, a FIRST COLONIAL BANK, Niles, Illinois, Account Number: 03-393-6, and PARK NATIONAL BANK, Chicago, Illinois, Account Number: 16-942-0, are summarized as follows:

1990 RECORDS

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Due to O.G. SERVICES

<u>DATE</u>	<u>CHECK #</u>	<u>AMOUNT</u>	<u>PAYEE/COMMENTS</u>
10/09	1041	\$ 15,000.00	[REDACTED] /O.G. SERVICES
12/31	1090	30,000.00	O.G. SERVICE CORPORATION

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10/09	1048	\$ 15,000.00	O.G. SERVICE PENSION PLAN - Loan Payment
12/31	1091	30,000.00	O.G. SERVICE CORPORATE PENSION PLAN - Distribution

Investigation on 7/18/2001 at Rolling Meadows, IllinoisFile # 194B-CG-114999 -E- 193 Date dictated 7/18/2001by SA [REDACTED] :mhc200MKC DS. 302

MS 7/18/01

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REVIEW OF RECORDS

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Due To/From Shareholders

01/12	681	\$ 20,000.00	DONALD E. STEPHENS, deposited AMERICAN NATIONAL BANK OF MELROSE PARK
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06/19	747	20,000.00	DONALD E. STEPHENS
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12/20	1085	25,000.00	DONALD E. STEPHENS
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General Insurance

02/05	693	4,319.00	<u>AMERICAN BUSINESS INSURANCE</u> <u>AGENCY</u>
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Outside Services

02/20- 12/15	-	56,160.00	[redacted]
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09/05	1031	9,531.36	O.G. SERVICE CORPORATION
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12/03	1077	380.00	[redacted]
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02/20- 12/31	-	22,000.00	[redacted] - all checks negotiated for cash
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01/22- 11/19	-	1,945.00	[redacted]
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Commissions Paid

06/20	752	26,666.67	[redacted]
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06/20	753	26,666.67	[redacted]
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06/20	754	26,666.67	[redacted]
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06/20	755	10,000.00	[redacted]
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06/27	765	10,000.00	[redacted]
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REVIEW OF RECORDS

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06/30	767	10,000.00	[redacted]	b6 b7c
07/31	769	3,000.00	[redacted]	
07/10	101	7,000.00	[redacted] (New PARK NATIONAL BANK Account)	
08/01	1010	2,000.00	Citizens for [redacted]	
10/09	1043	8,333.33	[redacted]	
10/09	1044	8,333.33	[redacted]	
10/09	1045	8,333.33	[redacted]	
10/09	1046	12,500.00	DONALD STEPHENS - Distribution	
10/09	1047	12,500.00	[redacted]	
12/31	1088	50,000.00	<u>BEE CONSULTING</u> [redacted]	
12/31	1089	25,000.00	[redacted]	

1991 RECORDSDue To/From Shareholders

<u>DATE</u>	<u>CHECK #</u>	<u>AMOUNT</u>	<u>PAYEE/COMMENTS</u>
03/20	1120	\$ 25,000.00	DONALD E. STEPHENS
04/11	1126	25,000.00	DONALD E. STEPHENS
07/01	1152	100,000.00	BEE CONSULTING
07/09	1152	20,000.00	DONALD E. STEPHENS
08/19	1168	40,000.00	BEE CONSULTING
09/18	1182	10,000.00	[redacted]
10/07	1185	25,000.00	DONALD E. STEPHENS
10/14	1187	20,000.00	DONALD E. STEPHENS

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REVIEW OF RECORDS

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General Insurance

04/03 1121 5,268.00 O.G. SERVICE CORPORATION

Outside Services02/13-
11/13 - 64,541.0001/10-
05/07 - 10,000.00b6
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(ten checks)

Accounting Fees01/14-
12/31 - 3,355.00

(four checks)

1992 RECORDSDue To/From Shareholders

<u>DATE</u>	<u>CHECK #</u>	<u>AMOUNT</u>	<u>PAYEE/COMMENTS</u>
03/13	1214	\$ 5,000.00	
02/06	1219	10,000.00	
02/21	1223	25,000.00	DONALD E. STEPHENS
06/16	1249	10,000.00	

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b7COutside Services

03/03	1224	3,500.00
03/04	1225	3,500.00
04/14	1231	23,136.00

Commissions Paid

01/07	1212	90,000.00	BEE CONSULTING - deposited into the HARRIS BANK, Barrington, Account No. 033-202-00
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/29/2001

On August 20, 2001, Special Agent [redacted] reviewed [redacted]

which were received pursuant to a Federal Grand Jury Subpoena.

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b7CInvestigation on 08/20/01 at ROLLING MEADOWS, ILLINOISFile # 194B-CG-114999-E-198 Date dictated 08/20/01by SA [redacted] RPF/jmmb6
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/04/2001

On this date, [REDACTED] VILLAGE OF ROSEMONT (VOR), 9501 West Devon Avenue, Rosemont, Illinois 60018, (847) 825-4404, was interviewed. After being advised as to the nature of the interview and the identities of the interviewing Agents, [REDACTED] provided the following information:

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[REDACTED] has worked for the VOR for approximately twelve years, since 1989. His duties as [REDACTED] include managing the books and records, including the general ledger, managing the billing for the Water Department, collection of taxes, benefits manager, human resources' manager, risk manager, aiding the village in the sale of bonds, cash management, and investments.

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[REDACTED] added that the village just hired a new person to handle human resources, so soon he will no longer have those duties. [REDACTED] also manages the computerization of the books and records for the village and that material is kept on an IBM AS400 Server.

[REDACTED] advised that ABI ACCORDIA (ABI) became the insurance broker for the VOR in 1991, after submitting the winning bid in response to a Request for Proposals (RFP) for the village's insurance. Previously, the village had its insurance through [REDACTED] INSURANCE AGENCY [REDACTED]. [REDACTED] had been the insurance provider for the village even before [REDACTED] became the finance officer. [REDACTED] could not remember why they decided to request bids for new insurance, but offered two usual reasons why a municipality would do so: 1) the village is having trouble with the handling of claims by the insurance agency; or 2) the village wants to change its insurance package.

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[REDACTED] explained that generally, obtaining coverage was not a problem as there are several insurance companies that provide standard coverage for municipalities. [REDACTED] did not recall whose idea it was to issue RFPs, but explained that the idea for switching insurance companies probably came from Mayor DONALD STEPHENS. [REDACTED] recalled that the village received bids from [REDACTED] ABI, and two or three other bidders, but he could not recall the names of those other insurance companies. As part of the bid process, [REDACTED] met with each bidder to talk about the coverage and to explain what the village wanted in an insurance provider. The village usually looked for a standard policy, but

Investigation on 9/24/2001 at Rosemont, Illinois

File # 194B-CG-114999 E 9AMC -203 Date dictated 9/24/2001
 by SA [REDACTED] jkC

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Continuation of FD-302 of [redacted]

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sought suggestions from the bidders on how to improve the insurance coverage. (During the above explanation by [redacted] DONALD STEPHENS, Mayor, VOR entered the room and inquired as to the nature of the interview. The interviewing agents introduced themselves and gave a brief summary of the nature of the interview. He then excused [redacted] from the weekly village department heads meeting and instructed him to finish the interview.)

[redacted] did not specifically recall meeting with ABI during the bid process, however, he believed he met with ABI because it was his standard practice to meet with each company that submits a bid. [redacted] did recall a meeting with [redacted] President of ABI, but he could not recall if it occurred prior to ABI being awarded the contract. He could not recall any specifics about this meeting. [redacted] thought that [redacted] may have brought someone else with him from the company, but he could not recall a name. [redacted] was the person with whom he met initially regarding the insurance after the contract was awarded. After the first year or so, [redacted] introduced him to [redacted] who then became his primary contact person at ABI.

[redacted] explained that the village's RFP did not require sealed bids and there was no public unsealing of the bids. The bids were presented to him and he reviewed them with an attorney, [redacted] who often represents the VOR in insurance and other matters. There are several insurance policies the village carries, including property and casualty, liability, workmens compensation, police department insurance, and public officials' errors and omissions insurance. Because of the complexities of the proposals, the bids were reviewed with the attorney before a decision was made. The insurance carrier did not necessarily have to be the lowest bidder to be awarded the contract. Generally, there are several other factors that go into making the decision. In this instance, however, ABI was the lowest bidder, but [redacted] could not recall by how much. ABI was in fact awarded the contract in 1991 and continued as the insurer for the VOR until 1996. [redacted] did not believe he signed a multi year contract with ABI, as most insurance policies are for one year. The contract was renewed yearly. After 1996, the insurer for the VOR became [redacted] and then approximately two years later, NEAR NORTH INSURANCE AGENCY was awarded the contract.

[redacted] did not know until several years after the contract was awarded to ABI that, in fact, ABI had purchased the insurance through PENNCO INSURANCE AGENCY. [redacted] did not understand the relationship between PENNCO and ABI and did not know

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why there was another middleman involved in the contract. Approximately three years after ABI was awarded the contract, representatives of PENNCO began attending the meetings between ABI and the village. [redacted] s contact at PENNCO INSURANCE AGENCY was [redacted] recalled that the insurance carrier was a large national company, but he could not recall the name. At first, this large national insurance company attempted to handle both the policy and the claims. This did not work well, however, and the following year the company used a local firm to handle the village's claims. The local firm used was [redacted]. [redacted] recalled that [redacted] was very effective as the claims handler, and the VOR was very pleased with their claims service. That service was the major reason the VOR continued to contract with ABI for the next several years.

The insurance contract was not put out for bid again until 1996 or 1997. The renewals were in large part due to the village's satisfaction with the service [redacted] provided on claims. It was only after [redacted] s claims service deteriorated that the VOR decided to put the contract out for bid.

[redacted] moved their headquarters from a local suburb to Davenport, Iowa, and after that, the service was not nearly as good. The decision to bid out the contract rested with the mayor.

[redacted] explained that each September, he briefed Mayor STEPHENS on the details of the insurance coverage and provided some documents to assist the mayor in his decision. The mayor then decided to either put the contract out for bid or sign a new contract with the current insurance provider. After several years of staying with ABI, the mayor decided to issue RFP's for the insurance contract in 1996 or 1997.

[redacted] stated that sometime before the village made the decision to put the insurance contract out for bid, a representative from [redacted] name unrecalled, indicated that they would be able to provide a cheaper insurance policy. [redacted] did not know how that person knew what the VOR was paying ABI in insurance premiums. [redacted] surmised that [redacted] may have learned that information from published reports of the village's budget, or that he himself may have told [redacted] how much they were paying. When the insurance contract was put out for bid, RFPs were again sent out. The village did not advertise for a new insurance provider, but, somehow, AON found out and submitted a bid. The other two bidders were [redacted] and ABI. The village ultimately chose [redacted] because [redacted] could provide the same coverage for less than either ABI or AON.

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[redacted] was shown an AON letter to the VOR. [redacted] immediately recognized it and explained that shortly after the contract was awarded to [redacted] the village received the letter from AON. In the letter, AON outlined several reasons why they should have been awarded the contract. [redacted] took offense at the tone of the letter and summarized it by stating that AON basically said he did not know how to choose an insurance carrier. [redacted] described the letter as sour grapes on the part of AON because they were not awarded the contract.

[redacted] found it interesting that the letterhead named both AON and ABI. Until he received the letter, [redacted] thought that AON and ABI had submitted two separate bids to provide insurance, but after receiving the letter, he was not sure if they were independent or working together. [redacted] did not recall the attachments to the letter, but certainly recalled receiving the letter. [redacted] added that if the letter was an attempt to get the village to change its decision, it had the opposite effect; he was insulted and would never do business with them.

[redacted] was shown copies of several invoices from ABI. [redacted] stated that in December he usually received a detailed invoice for the next year's insurance premium that included a breakdown of all the policies and costs. That bill requested a down payment on the total premium. The remainder of the premium was due in mid-January. The invoice the village received in mid-January usually did not include a breakdown. The final payment on the insurance policy usually was paid after trustees approved the new contract at a board meeting in early January. The December detailed invoices usually were hand-carried to the VOR by either [redacted]. The second invoice for the remainder of the premium due, which was dated in January of the following year, could have been mailed, but [redacted] did not have any specific recollection of any of these invoices being mailed. [redacted] thought that most policies he received from ABI were hand delivered by either [redacted]. [redacted] explained that generally letters received by mail at the village are neither stamped nor marked in any way upon receipt. The envelopes in which letters arrive are commonly discarded.

[redacted] thought that the only way to tell if an invoice was mailed was if it was folded to fit in an envelope. The checks themselves were usually picked up by [redacted] or someone else from ABI. [redacted] preferred to pick up the checks and hand carry them to the ABI office due to the large amount of money involved.

[redacted] was shown documents detailing the premiums and commissions paid to ABI. [redacted] understood the ABI fee

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to be an extra fee that ABI charged to process paperwork and claims on the policy, and he knew ABI had to make a profit on the contract. This bid was the first on which [redacted] had ever seen such a fee, but it did not concern him because the bid was still lower than the other bids. [redacted] did not recall [redacted] charging such a fee, and he did not know if other insurance companies charged such a fee for the processing of paperwork and claims. [redacted] understood the ABI fee to be equivalent to what other insurance companies would earn as commission. [redacted] did not know whether ABI was making any more money off the contract than this fee, but he assumed so. Moreover, [redacted] assumed that PENNCO was making a commission off this policy, too. [redacted] did not have any direct knowledge of ABI charging more than the ABI fee, but he assumed they were making more than just the ABI fee. When shown that ABI made a 10% commission on each policy other than the package, he was not surprised, although he was never told about these commissions. No one with ABI ever told him about any other fees or commissions, other than the ABI fee. [redacted] did not know what ABI did with the money earned on the VOR contract. [redacted] did not know what the standard industry commission was on such a policy, but he assumed that a commission of 10 or 20 percent would be standard.

[redacted] stated that the ABI fee increased yearly, but did not go up much in comparison to the total amount of the premium from year to year. [redacted] knew that other insurance companies had commissions built into their premiums. He remembered thinking at the time that ABI was more honest or forthright because they had broken out their fee and disclosed it right on the invoice and had not tried to hide it in the premium. [redacted] recalled that year after year the fee did increase, and that at one point he asked ABI to decrease their fee, which they did by about \$5,000.

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[redacted] was shown that in addition to the ABI fee, ABI charged the village more than \$100,000.00 more per year than PENNCO charged ABI for the policy. He stated that was never disclosed to him and he was never aware of it. [redacted] was not sure what he would have done had he knew this, because he assumed that ABI was making more than just the ABI fee disclosed on the face of the invoice. Furthermore, [redacted] added that ABI's was still the lowest bid submitted for insurance coverage. [redacted] did not know what ABI did with the excess insurance premiums they collected. The VOR did not pay any finder's fees nor did they pay any money to anyone other than ABI for the issuance of this insurance policy. [redacted] did not know of any finder's fee or other payment made to anyone by ABI in connection with the

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policy, except for [redacted] of PENNCO [redacted] assumed that PENNCO and/or [redacted] earned a commission on the policy.

The premium for the insurance policy from ABI increased from year to year. [redacted] assumed that this was due to rising property values in and around Rosemont and the rising costs of litigation, jury awards, and lawsuits. [redacted] said he knew it had become too expensive when a representative from [redacted] said that they would be able to beat the cost of ABI's insurance. As it turned out, [redacted] beat ABI by a substantial amount.

At this point in the interview, DONALD STEPHENS, Mayor, VOR, again entered the conference room where the interview was taking place. Mayor STEPHENS inquired as to whether ABI was still in business, and if so, were the excess fees paid to ABI recoverable by the village. SA [redacted] encouraged Mayor STEPHENS to pursue that issue with the village attorney, and explained that the purpose of the FBI investigation was to determine if federal law had been violated, and if so, to present the information for criminal prosecution. Mayor STEPHENS understood and then told [redacted] that he wanted to get [redacted] involved in the matter right away. Mayor STEPHENS then left the conference room, and the interview with [redacted] continued.

[redacted] was shown premium summaries for 1989 and 1990, and 1991 and 1992. [redacted] recognized his initials on the summaries and stated that he had reviewed the coverages and the premiums. In the notes at the bottom of the premium summary for the year 1990, [redacted] added the cost of the HORIZON (now ALLSTATE ARENA) insurance coverages. He did this because the original insurance policy was from K & K and was not included in the package of insurance covered by [redacted]. ABI, however, was going to include the HORIZON in the cost of its package.

[redacted] was next shown Bates stamped items number 969 and 970. [redacted] described these as a fax cover sheet and an invoice, both from ABI, dated January 3, 1994. The fax cover sheet was from [redacted] at ABI. [redacted] stated that must have been the one occasion that he accepted an invoice by fax from ABI. [redacted] did not recall ever receiving an invoice by fax from ABI or any other insurance carrier.

[redacted] stated that [redacted] was a person that often helped with the insurance policy if he had any questions or problems. [redacted] was always able to reach [redacted] because she

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was always in the office, unlike [redacted] who were often out of the office making sales presentations. One of the things that he often asked [redacted] to do was to send copies of the VOR's certificate of insurance to companies that required it to put on a convention or show, either at the ROSEMONT CONVENTION CENTER or the ALLSTATE ARENA (formerly HORIZON). One of those companies was FELD ENTERTAINMENT, which produces BARNUM & BAILEY'S CIRCUS each year at the ALLSTATE ARENA. FELD ENTERTAINMENT required a copy of the certificate of insurance each time they produced a show at the ALLSTATE ARENA. [redacted] would call [redacted] who would create a copy of the certificate of insurance and send it to FELD. [redacted] did not know how she sent the certificate, specifically whether she mailed or faxed it. [redacted] thought that [redacted] would have mailed a copy of the certificate of insurance to FELD ENTERTAINMENT, which is based in Virginia. From time to time, [redacted] would also fax copies of the certificate of insurance to the ALLSTATE ARENA so that it could be shown to the producers of shows as needed.

[redacted] was shown a series of checks drawn on the VOR's general fund payable to either ACCORDIA OF ILLINOIS or ABI. [redacted] stated that sometimes [redacted] would pick up these checks, especially the larger ones, such as check number 101590 for \$605,000.00, dated January 15, 1996. The other checks were probably mailed to ABI in the normal course of business.

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[redacted] was shown a copy of a letter sent to ABI requesting copies of all insurance documents be sent to auditors [redacted] & COMPANY, LLP [redacted] was conducting an audit of the financial statements of the VOR and wanted information on insurance coverage for all village properties. ABI was to send this information directly to [redacted] at 250 South Wacker Drive, Chicago, Illinois 60606. [redacted] then reviewed the attachments to the letter, but did not specifically recall receiving a letter from ACCORDIA with the attachments that had been provided to [redacted]. [redacted] admitted that he must have received a copy of the letter, however, because he was included in the copy count.

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[redacted] was asked about the list of apartment buildings on the second page of the attachment. [redacted] explained that these buildings were owned by the VOR and were severely damaged in 1986 or 1987 when WILLOW CREEK flooded. Thus, a decision was made to carry flood insurance on these buildings in case WILLOW CREEK flooded again. The premiums for the flood insurance were paid directly to the NATIONAL FLOOD INSURANCE

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PROGRAM and ABI was listed as the insurance broker of record. [redacted] did not know if ABI received any fee as the insurance broker of record from the NATIONAL FLOOD INSURANCE PROGRAM.

[redacted] was asked if he was familiar with a person named [redacted] did know [redacted] [redacted] was then asked if [redacted] had anything to do with the insurance provided by ABI for the VOR. [redacted] replied that [redacted] had nothing to do with this insurance contract.

At this point, the interview with [redacted] was concluded, and [redacted] was served with a Federal Grand Jury subpoena for [redacted]

[redacted] was instructed to call either Assistant United States Attorney (AUSA) [redacted] if he had any problems or questions concerning the subpoenaed documents. [redacted] stated that he would consult with [redacted] regarding the subpoena.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/16/2001

Source, who is not in a position to testify, advised as follows:

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b7DInvestigation on 10/11/2001 at Cook county, IllinoisFile # 194C-CG-114999-E - 213 Date dictated 10/16/2001by NJ/19/01 2P9.TPROG.307

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FISUR LOG COVER SHEET

SUBJECT: [REDACTED]

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Day & Date: Wednesday 08/22/2001

Shift: 0700-1500 Team: SA [REDACTED]

CONDUCTED BY (SA/IA)

SA [REDACTED]

SA [REDACTED]

SA [REDACTED]

SYNOPSIS

Subject Observed
 Subject Not Observed

Contact Observed
 Unusual Activity

Photos Attempted
 Assessment Data

Time on Target: Hours Minutes = Total time on subject

ADMINISTRATIVE DATA:

Vehicles observed: tan Lexus [REDACTED] (IL); gray Mercedes [REDACTED] (IL); green Mercedes, [REDACTED] (IL); white Chrysler Concorde [REDACTED] (IL); silver Chrysler Concorde, [REDACTED] (IL); green Ford Explorer, [REDACTED] (IL); silver Cadillac DeVille, [REDACTED] (IL); tan Mercedes, [REDACTED] (IL); blue Mercury Sable, [REDACTED] (IL); black Mercedes, [REDACTED] (IL); tan Mercedes, [REDACTED] (IL); tan BMW 740, [REDACTED] (IL); white Mercury, [REDACTED] (IL); silver pickup truck [REDACTED] (IL)

Photos attempted by SA [REDACTED]

194B-CG-114999 E-221

194B-CG-114999
STJ:jeo
CHICAGO DIVISION

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The following investigation was conducted by squad SO-1 and documented by SA
[redacted]

Surveillance Date: 08/22/2001
Day: Wednesday
Weather:

A Physical Surveillance was conducted in the vicinity of the Great Expoteria, 9301 West Bryn Mawr, Rosemont, Illinois, at which time the following observations were noted:

<u>Time</u>	<u>Initials</u>	<u>Observations</u>
0700	STJ	Surveillance initiated in the vicinity of the Great Expoteria, 9301 West Bryn Mawr, Rosemont, Illinois.
0755	STJ	A tan Lexus, Illinois license [redacted] and a gray Mercedes, [redacted] are parked in front of 9301 West Bryn Mawr.
0805	STJ	A green Mercedes, Illinois license [redacted] is parked in front of 9301 West Bryn Mawr.
0820	STJ	[redacted] parks a white Chrysler Concorde, Illinois license [redacted] in front of 9301 West Bryn Mawr. [redacted] enters the Expoteria.
0837	STJ	A silver Chrysler Concorde, Illinois license [redacted] a green Ford Explorer, Illinois license [redacted] and a silver Cadillac DeVille, Illinois license [redacted] are parked in front of 9301 West Bryn Mawr.
0845	STJ	A tan Mercedes, Illinois license [redacted] is parked in front of 9301 West Bryn Mawr.

- 0859 STJ [REDACTED] is using cell phone out in front of 9301 West Bryn Mawr.
- 0906 STJ A blue Mercury Sable, Illinois license [REDACTED] a black Mercedes, Illinois license [REDACTED] and a tan Mercedes, Illinois license 34, are parked in front of 9301 West Bryn Mawr.
- 0915 STJ An unknown white male (UM#1) exits the Expoteria, enters the Cadillac [REDACTED] and departs vicinity. (Photos attempted by SA [REDACTED] UM#1 approximately fifties and medium build.
- 0940 STJ A tan BMW [REDACTED] Illinois license [REDACTED] is parked in front of 9301 West Bryn Mawr.
- 1023 STJ, PMH [REDACTED] uses cell phone out in front of 9301 West Bryn Mawr.
- 1024 STJ An unknown white male (UM#2) exits the Expoteria, enters the Mercedes [REDACTED] and departs the vicinity. UM#2 described as a white male, fifties to early sixties, gray hair and medium build.
- 1037 STJ DONALD STEPHENS and [REDACTED] exit the Expoteria and converse out front. (Photos attempted by SA [REDACTED]
- 1039 STJ [REDACTED] re-enters Expoteria while STEPHENS enters the tan Mercedes, Illinois license 34, and departs vicinity.
- 1056 STJ [REDACTED] uses cell phone in front of 9301 West Bryn Mawr.
- 1058 STJ [REDACTED] re-enters the Expoteria.
- 1106 STJ, PMH [REDACTED] exits the Expoteria, enters the Concorde [REDACTED] and departs vicinity.

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- 1111 STJ, SHG [REDACTED] parks Concorde [REDACTED] behind 2700 DesPlaines River Road, DesPlaines, Illinois. b6
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- 1112 STJ [REDACTED] enters 2700 DesPlaines River Road.
- 1131 SHG [REDACTED] exits 2700 DesPlaines River Road, re-enters the Concorde [REDACTED] and departs vicinity.
- 1136 STJ, SHG [REDACTED] parks Concorde [REDACTED] across the street from [REDACTED] Illinois. [REDACTED]
enters [REDACTED] A white Mercury, Illinois license [REDACTED] is parked in front of [REDACTED] A silver pickup truck, Illinois license [REDACTED] is parked in the driveway of [REDACTED]
- 1143 STJ, SHG A black SUV with an unidentifiable temporary tag is parked in front of [REDACTED]
- 1153 SHG The pickup [REDACTED] departs vicinity of [REDACTED]
House painting supplies are visible in the bed of the truck.
- 1202 SHG [REDACTED] exits [REDACTED], re-enters the Concorde [REDACTED] and departs vicinity.
- 1238 STJ [REDACTED] drives Concorde [REDACTED] through the security gate of the [REDACTED] located on [REDACTED] Illinois.
- 1415 PMH, SHG,
STJ Surveillance discontinued.

SA
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SA

[REDACTED]

July 26, 2001

I see where Mr. Stephens is going to try and prove that he has no connection with the outfit. I therefore would like to bring to your attention just some of the (inside scoop) that will help you and your attorneys in this efforts to fight back.

In brief:

Fact - [REDACTED] is a twice convicted paid mob street enforcer who served two terms in federal prison.

Fact - [REDACTED] ran his Rosemont licensed taxi cab (50) from the pay phone while in jail - even after his 2nd conviction.

Fact [REDACTED] is on the payroll of the village of Rosemont and remains to this day all the while working for the outfit in collecting juice on the street.
(even collecting a salary while in jail)

Fact - [REDACTED] attempted to kill a Vito CORRIERO
pbc Courier (now deceased) while in his office with a golf club. A report was made with the P.D. and covered up.

Fact - [REDACTED] still to this day enjoys the recent law passed by the village board giving him complete control of the taxis on the street in town.

Fact - Rosemont Police dept was denied entry into the Illinois state police intelligence network (ILEN) because of the relationship of a twice convicted paid outfit guy on the village payroll. This is documented!

Fact - The Rosemont police dept of the 80's ran a gambling and hooker ring that was rooted in the Hyatt hotel which was watched over by ret.cook county sheriff's then major - frank baun.

Fact - This same hooker in charge came to the county sheriff's dept and approached them stating that [redacted] was operating this gambling/hooker scam in Rosemont with the chief's help. [redacted]
She had his home number and showed them by calling him directly in front of the upper level rank.

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Fact - [redacted]

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Fact - don Stephens once had a very bad argument with his daughter's fmr husband - [redacted]
the result was a small caliber round that was found lodged in his blue for bronco that am after. □

Fact - ret. [redacted] was the henchmen for [redacted] if he wanted to straight someone out he sent terry. How could a once fired [redacted] on booze and drugs - see VA medical file be brought back.

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Fact - [redacted] was seen on many occasions at many of the Rosemont voter's league parties.
He and Jeep are v/good friends.

Good Luck

Your fighting the Rosemont Mafia now!!!!

P.S. [redacted]'s coverage of the tribune was great - with a little help!!!

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/23/2001

[redacted] Date of Birth (DOB) [redacted]
 Social Security Account Number (SSAN) [redacted] residing at [redacted]
 [redacted] telephone [redacted] was

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interviewed at Indianapolis, Indiana regarding AMERICAN BUSINESS INSURANCE AGENCY OF ILLINOIS (ABI), and ACORDIA OF ILLINOIS (ACORDIA). After being advised of the nature of the investigation and the purpose of the interview, [redacted] provided the following information:

[redacted] most recently was employed by GORAN CAPITAL, INC., Indianapolis, Indiana, as [redacted] during 2000 and 2001. Prior to that time he was [redacted] of Internal Auditing at ACORDIA COMPANIES, formerly a subsidiary of ANTHEM, INC., Indianapolis, Indiana from 1993 to 1999. In 1997, [redacted] worked directly for ACORDIA, INC. of Indianapolis, Indiana, and from 1993 to 1997, he worked for ACORDIA of LEXINGTON, INC., of Lexington, Kentucky. [redacted] is a Certified Public Accountant (CPA) and a Certified Internal Auditor and is currently providing professional consulting work in the fields of accounting and internal auditing.

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Directing his attention to his employment with the ACORDIA COMPANIES, [redacted] advised that ACORDIA has over 80 offices nationwide and from 1997 through 1999, he was the Vice-President of Internal Auditing. In that capacity he would do risk assessments as well as determine yearly site audits to be conducted. He further stated that ACORDIA acquired AMERICAN BUSINESS INSURANCE in the middle 1990s.

Responding to questions concerning his travels to ACORDIA OF ILLINOIS, INC., 650 East Algonquin Road, Suite 300, Schaumburg, Illinois, [redacted] said that 1999 was the first time he traveled to ACORDIA OF ILLINOIS. [redacted] said his travels were in direct response to [redacted]

[redacted] of ACORDIA, INC., Indianapolis, Indiana. [redacted] had received information that there was something wrong at the Schaumburg office. [redacted] stated he believes that the original complaint came from [redacted] ACORDIA [redacted] who relayed that complaint to [redacted] of the Midwest Region for ACORDIA.

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info: 194B/CG/114999 E-226

Investigation on 11/08/2001 at Indianapolis, Indiana

File # 196B-CG-110974 Date dictated 11/13/2001

by SA [redacted] lmm

NW/KS/01

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

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196B-CG-110974

Continuation of FD-302 of [redacted]

, On 11/08/2001 , Page 2

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In the Summer of 1999, [redacted] stated that he traveled to Schaumburg, Illinois along with [redacted] from Columbus, Ohio to investigate allegations of fraud. [redacted] advised that there was some concern of an account for BOULEVARD MANAGEMENT, INC., which was handled by ACORDIA [redacted]

[redacted] stated he examined the BOULEVARD MANAGEMENT account from 1993 through 1999, and became suspicious about that account after a one day trip to Schaumburg, Illinois. [redacted] recalled that the BOULEVARD MANAGEMENT, INC. account had been overcharged in premiums by ACORDIA by submitting inflated invoices. [redacted] further stated that there also appeared to be fraudulent alterations in the declaration sheets submitted to BOULEVARD MANAGEMENT, INC. [redacted] relayed this information to [redacted] and [redacted] of Human Relations, ACORDIA, INC., Indianapolis, Indiana.

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After reporting his initial findings to [redacted] returned to the Schaumburg office with three staff members in order to take a closer look at the BOULEVARD MANAGEMENT account.

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[redacted] said he was concerned about this account because it involved a UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT PROJECT in Chicago, Illinois called the LAWNDALE RESTORATION PROJECT. [redacted] stated that his staff confirmed that alterations were made on insurance declaration forms mailed to the Schaumburg office from CAROLINA CASUALTY INSURANCE and that those altered documents were forwarded to the client namely BOULEVARD MANAGEMENT INC. [redacted] immediately took steps to have the locks changed on all the doors at ACORDIA and that [redacted] was instructed to open the office for all employees and lock the doors at night. [redacted] was instructed to make no copies of the new office lock.

[redacted] stated that the scope of the audit began in June of 1999 and lasted approximately three weeks. He said his auditing staff focused on the BOULEVARD MANAGEMENT, INC. account, however later expanded to a similar problem with the VILLAGE OF ROSEMONT insurance account. He said that it was during this time period that attorney [redacted] who represented ACORDIA, INC. was brought into the matter. [redacted] recalled briefing [redacted] on the scope of the audit in his preliminary findings concerning BOULEVARD MANAGEMENT in the VILLAGE OF ROSEMONT. He as determined to bring an additional staff from ERNST AND YOUNG of Indianapolis to assist

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Continuation of FD-302 of [redacted]

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in this examination. [redacted] stated that the auditing staff had now been increased to six staff members.

After the first week in Schaumburg, [redacted] related his findings to ACORDIA, INC. in Indianapolis, Indiana. As a direct result, [redacted] ACORDIA Human Relations from Indianapolis, Indiana and [redacted] ACORDIA Human Relations, Midwest Region, came to the Schaumburg office. [redacted] learned that [redacted] were all suspended from ACORDIA pending the results of the audit at ACORDIA.

Responding to any and all conversations [redacted] may have had with [redacted] and others at ACORDIA OF ILLINOIS, he said that he met with [redacted] along with [redacted] stated that the meeting with [redacted] lasted approximately one hour whereby [redacted] was questioned about the BOULEVARD MANAGEMENT account and the VILLAGE OF ROSEMONT account. [redacted] recalls [redacted] making certain admissions, however, preferred to review his original notes before commenting further. [redacted] stated that his original notes of this interview as well as a typed report should be in the possession of ACORDIA, INC. [redacted] recalled that this first meeting would have been just before the suspension of [redacted]
[redacted]

Directly following [redacted] s suspension and possibly the next evening, [redacted] happened to be at the ACORDIA office at approximately 10:30 p.m. He said that [redacted] came to the office to clean up some of his personal effects and brought his wife with him. [redacted] said that he accompanied [redacted] into the office to pick up some medication and personal effects including a personal checkbook. [redacted] also stated that he conducted interviews of [redacted] He stated that his original notes and summary reports of these individuals should be in the possession of ACORDIA, INC.

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[redacted] stated that the last time he saw [redacted] would have been at a meeting at the MARRIOTT HOTEL in Schaumburg after [redacted] s suspension. He said present for this meeting would be [redacted], ACORDIA, INC.; [redacted]
[redacted] Attorney; [redacted] Midwest
Region, ACORDIA; and [redacted] stated that [redacted] was questioned by [redacted] in the presence of the other officials and that he took no notes at this meeting. [redacted] could not recall whether [redacted] made admissions at this meeting or not. Additionally [redacted] was also interviewed as was [redacted]

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Continuation of FD-302 of [redacted]

, On 11/08/2001 , Page 4

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[redacted] recalled that [redacted] was not cooperative with [redacted]

Responding to questions concerning [redacted] s salary at ACORDIA as well as bonuses received, [redacted] stated that [redacted] would have received annual bonuses for office profitability. He further stated that [redacted] Human Relations, ACORDIA, INC. would have further information about this bonus process.

[redacted] was asked specifically about his examination of the accounting department at ACORDIA, INC., and specifically the identification of an exchange account in the general ledger. He advised that the account manager, [redacted] had left ACORDIA just prior to June of 1999, and that the accounts payable person, [redacted] had assumed the account manager position. [redacted]

[redacted] explained that the exchange account was an account within the general ledger whereby credits could be placed to a customer's account for a later date. [redacted] also stated that finder's fees or referral fees for business are acceptable in the insurance industry, however, fees of \$50,000 would be considered very large.

[redacted] was asked about the policy governing consulting fees at ACORDIA. [redacted] recalled a MID-CITIES financial account in the P.M. group as having very large consultant fees associated with these accounts. [redacted] said he did a summary to ACORDIA which included his findings on these accounts. Additionally, [redacted] recalled one entry in the accounts payable files which was a lunch that included [redacted] and Mayor DONALD STEPHENS. [redacted] stated that the documentation would be found in the account payable files and that [redacted] mentioned the names of [redacted] and STEPHENS on his expense report.

At this point [redacted] was displayed various checks from 1991 through 1996, drawn off the ABI/ACORDIA bank accounts that represents a fee for service in connection with the VILLAGE OF ROSEMONT account. [redacted] stated that before he left ACORDIA, he gave original checks and supporting documentation to [redacted] Director of Human Relations, Indianapolis, Indiana, custody of these documents. [redacted] stated that [redacted] currently works at KEY BENEFIT ADMINISTRATION in Indianapolis, Indiana, telephone (317) 284-7100. [redacted] advised that the documents were given to [redacted] sometime in December of 1999.

[redacted] further stated that in 1999, after the suspension of [redacted] he learned that [redacted]

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Continuation of FD-302 of [redacted]

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[redacted] ACORDIA, had filed a police report after someone had set a couch on fire in front of his house one evening. [redacted] stated that he was told by [redacted] that [redacted] has made representations that he had had Organized Crime connections and [redacted] took this action as a threat.

At this point [redacted] was displayed a two page document containing the VILLAGE OF ROSEMONT insurance coverage from 1991 through 1996, which included billed receipts, gross premium, commissions, ABI fee and fees to others. [redacted] reviewed the two page document and stated that it would have been prepared by his staff in connection with the audit of the VILLAGE OF ROSEMONT during their analysis of ACORDIA records.

[redacted] further stated that during the audit process and while going through the office of [redacted] they found a joint CHARLES SCHWAB investment account in the names of [redacted] and [redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/06/2001

DONALD E. STEPHENS, Date of Birth March 13, 1928, Social Security Account Number 361-20-2245, residing at 6021 Hawthorne Street, Rosemont, Illinois 60018, telephone (847) 698-4489, was interviewed at the DONALD E. STEPHENS CONVENTION CENTER, Rosemont, Illinois, in the presence of his Attorney ROBERT M. STEPHENSON, ONE IBM Plaza, Chicago, Illinois 60602, (312) 755-1900. STEPHENS was advised that Agents were conducting an official investigation into the actions of officials and others connected to AMERICAN BUSINESS INSURANCE (ABI), later known as ACORDIA OF ILLINOIS (ACORDIA).

STEPHENS stated that he has been the Mayor of the VILLAGE OF ROSEMONT since 1956 and continues in that capacity to the present time. He advised that the Village Hall is located at 9501 W. Devon Avenue, Rosemont, Illinois 60018, telephone (847) 825-4401. In addition to being the Village President, STEPHENS said he is the Liquor Commissioner, VILLAGE OF ROSEMONT, and has been elected Committeeman to the LEYDEN TOWNSHIP REPUBLICAN ORGANIZATION.

Directing his attention to the process by which insurance proposals are sought by the VILLAGE OF ROSEMONT, STEPHENS stated that his [redacted] handles all insurance matters for the VILLAGE OF ROSEMONT. He explained that every Tuesday morning he conducts a staff meeting which includes the heads of all departments in the VILLAGE OF ROSEMONT. He said that [redacted] explained insurance coverage for selected carriers and made final recommendations to the staff and to the Mayor.

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Responding to questions concerning how ABI/ACORDIA was awarded a contract for the VILLAGE OF ROSEMONT insurance in 1990, STEPHENS stated he recalled a conversation with [redacted] whereby it was discussed that the current insurance carrier [redacted]

[redacted] had insurance premiums that appeared high to [redacted] STEPHENS said that [redacted] suggested that he put the insurance contract for the VILLAGE OF ROSEMONT out to bid to see if they could bring their annual premiums down. Mayor STEPHENS said he gave [redacted] the okay and the bidding process began. STEPHENS said it is his understanding that ABI was the low bidder during that year; therefore, they were awarded the contract

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Copy 196B-CG-114999E-230

Investigation on 12/05/2001 at Rosemont, Illinois

File # 196B-CG-110974 Date dictated 12/05/2001

by SA [redacted] Vmer

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Continuation of FD-302 of

DONALD E. STEPHENS

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for all of the municipal insurance within the VILLAGE OF ROSEMONT. STEPHENS advised that he himself had no meetings with any insurance person connected with ABI. STEPHENS further advised that the VILLAGE OF ROSEMONT continued to use ABI as its insurance carrier for a period of three or four years. STEPHENS recalled one conversation he had with [REDACTED] whereby [REDACTED] was very busy on a bond issue affecting the VILLAGE OF ROSEMONT and they decided not to put the insurance out for bid that year. STEPHENS said as long as [REDACTED] was happy with the service and the coverage of insurance provided through ABI the matter was entirely in [REDACTED]'S hands. Again STEPHENS reiterated the fact that he did not meet with any representatives of ABI/ACORDIA during the six year period that this agency provided insurance to the VILLAGE OF ROSEMONT.

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Responding to questions concerning the final authority for selecting insurance for the VILLAGE OF ROSEMONT, STEPHENS advised that the Board of Trustees for the VILLAGE OF ROSEMONT would make the final determination. He added that [REDACTED] would make a recommendation to the board but the final decision rests with the Board solely.

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Responding to questions as to whether STEPHENS ever received copies of insurance proposals directly from [REDACTED] for his review, STEPHENS advised he could not recall reviewing such proposals. He further stated that he did not have any personal insurance through representatives of ABI/ACORDIA.

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STEPHENS acknowledged that he had a background in insurance, however most of his insurance information is dated. He did state that he would occasionally discuss with [REDACTED] insurance values, in order to insure that village improvements were adequately covered by insurance as their values increased.

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Directing his attention to [REDACTED], former [REDACTED] of ABI/ACORDIA, STEPHENS advised that he has no social or business relationship with [REDACTED] and would not know him if he passed through this door on any given day. STEPHENS added that his son [REDACTED] had told him several days ago that he possibly met [REDACTED] at a golf event sponsored by the Mayor as a fundraiser. STEPHENS advised that he may have been introduced to [REDACTED] however, has no memory of this man.

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Responding to questions concerning a relationship he has with [REDACTED] STEPHENS advised that he has known [REDACTED]

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Continuation of FD-302 of

DONALD E. STEPHENS

, On 12/05/2001 , Page

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for over 25 years and considers him a friend. He said he first met [redacted] while he was employed as a Steward for TEAMSTERS LOCAL 714 working at the ROSEMONT EXPOSITION CENTER. STEPHENS stated that the TEAMSTERS UNION handled all the move-ins with exhibitors at the ROSEMONT EXPOSITION CENTER. STEPHENS further stated that all exhibitors at the ROSEMONT EXPOSITION CENTER work with the ROSEMONT EXPOSITION SERVICE, a private company which provides various services to exhibitors including electric, gas, moving equipment such as forklifts, decorating and set-up and take-down. He said that a Show Manager would contract with the ROSEMONT EXPOSITION SERVICE (RES) to handle all services necessary for exhibitors. STEPHENS said that RES provides 70 percent of its profits back to the VILLAGE OF ROSEMONT in return for the exclusive right to service the ROSEMONT EXPOSITION CENTER.

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Responding to questions concerning any business interest he has with [redacted] either presently or in the past, STEPHENS said that recently, approximately 12 - 18 months ago, [redacted] approached him about an investment opportunity in the stock market. STEPHENS said that [redacted] told him, Boss, we can make millions on this investment. STEPHENS said he decided to invested \$400,000. STEPHENS also said that [redacted] urged him to borrow an additional million dollars from the bank in order to increase his investment. STEPHENS said recently he drafted a check payable to [redacted] for \$134,000 to cover the losses incurred on this investment. STEPHENS explained this investment was a partnership with [redacted] in a STANDARD & POOR (S&P) fund handled by Broker [redacted]. STEPHENS also stated that [redacted] got other individuals to invest with [redacted] including [redacted] Executive Director of the DONALD E. STEPHENS CONVENTION CENTER; [redacted] Contractors for the VILLAGE OF ROSEMONT. STEPHENS acknowledged meeting with [redacted] through an introduction by [redacted]

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STEPHENS further stated that he also has a business with [redacted] in AMERICAN TRADE SHOW SERVICES (ATSS), a company that leases forklift equipment at MCCORMICK PLACE in Chicago and the JACOB JAVITS CENTER in New York. STEPHENS advised that he is a passive investor however, he was one of the four original stockholders to put up \$25,000 each over ten years ago to get the company started. He identified the four original stockholders including himself, [redacted] and two sons of his friend [redacted]. STEPHENS further stated that ATSS does not lease equipment in the VILLAGE OF ROSEMONT due to his position as Mayor. STEPHENS also stated that he receives an annual K-1 form that he

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DONALD E. STEPHENS

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files with the INTERNAL REVENUE SERVICE concerning his annual dividend. He said he is still an investor in ATSS however it is not yielding any profits at the current time.

Responding to questions concerning his original \$25,000 investment and that the company is not currently generating profits, STEPHENS stated that [redacted] told him that he sold ATSS last year but kept residuals. STEPHENS further advised that the individual who purchased the company had defaulted on the contract therefore no profits were being generated at this time. STEPHENS stated that he was not worried about the fact that there were no current profits generated because over the years he has gotten more than his money back through ATSS dividend payments. STEPHENS stated that those payments would come at irregular rather than regular intervals from the company.

STEPHENS stated that [redacted] also owned O.G. SERVICE CORPORATION, another forklift leasing company however STEPHENS had no ownership in this company.

STEPHENS also recalled that many years ago he and [redacted] invested in a Massachusetts coal generation plant. STEPHENS said that he put \$50,000 into the investment and [redacted] put an additional \$50,000. He said in less than a year they received a \$533,000 return on the original investment. STEPHENS said that [redacted] used his portion of his profits to pay off his mortgage on a new residence in Barrington, Illinois.

STEPHENS stated that recently, [redacted] approached STEPHENS about opening an additional KRISPY KREME DONUT franchise in the VILLAGE OF ROSEMONT. STEPHENS told [redacted] that there is already one KRISPY KREME DONUT franchise located on the north end of Rosemont. STEPHENS said he declined this business investment.

Directing his attention to matters concerning insurance for the VILLAGE OF ROSEMONT from 1990 through 1996, STEPHENS stated that he had no meetings, introductions or business discussions with [redacted] concerning the awarding of an insurance contract to ABI/ACORDIA in 1990. Additionally, STEPHENS said that only several weeks ago when the FEDERAL BUREAU OF INVESTIGATION (FBI) first came to ROSEMONT VILLAGE HALL to interview [redacted] was he made aware of the fact that ABI/ACORDIA had inflated insurance invoices to Rosemont during a six year period. STEPHENS said his first response was one of shock and then wanted to get his money back from [redacted]

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DONALD E. STEPHENS

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Responding to questions concerning if he's aware of any payments from ABI/ACORDIA to [REDACTED] and/or [REDACTED]'S companies in connection with the VILLAGE OF ROSEMONT insurance, STEPHENS responded he was not aware that [REDACTED] received any money in connection with the VILLAGE OF ROSEMONT insurance through ABI/ACORDIA. He further stated he had no discussions with [REDACTED] at any time regarding insurance and that [REDACTED] holds no position with the VILLAGE OF ROSEMONT to influence insurance matters. STEPHENS further stated that [REDACTED] is not now nor ever has been an employee of the VILLAGE OF ROSEMONT, therefore has no position of influence.

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STEPHENS stated that he has seen [REDACTED] within the last month, however he was told recently by Attorney [REDACTED] to stay away from [REDACTED]. STEPHENS said he is not going to attend the annual [REDACTED] Christmas dinner this year even though he is quite familiar with [REDACTED]'S wife and family. He also said that he will not be inviting [REDACTED] to his home for the STEPHENS family Christmas dinner. (At this point, STEPHENS cried)

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Commenting on whether [REDACTED] is now or in the past experiencing financial difficulty, STEPHENS advised that from 1990 through 1996, [REDACTED] was not experiencing any financial problems. STEPHENS could not explain why [REDACTED] would profit financially from insurance contracts with the VILLAGE OF ROSEMONT. STEPHENS said that today [REDACTED] is in fact experiencing financial problems and has been trying to sell stock in BLOOMINGDALE BANK. STEPHENS said that he and [REDACTED] purchased stock in the BLOOMINGDALE BANK through their association with [REDACTED]

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[REDACTED] STEPHENS advised that he bought 10,000 shares of stock in BLOOMINGDALE BANK however sold 5,000 shares and made a profit. He said [REDACTED] purchased more shares at the time, bringing his investment to one million dollars. STEPHENS said that [REDACTED] is now in the possession of devalued stock. He said that [REDACTED] has actually placed an advertisement in the WALL STREET JOURNAL trying to sell his shares of stock at BLOOMINGDALE BANK.

Agents asked STEPHENS specifically if he had any memory of meeting with [REDACTED] at various lunches, dinners, and sporting events. Agents advised STEPHENS that according to expense reports filed by [REDACTED] the name of DONALD STEPHENS or D. STEPHENS appears on many expense reports from 1991 through 1994. STEPHENS was questioned as to whether he in fact ever attended these events as claimed by [REDACTED], STEPHENS responded, "No fuckin' way."

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